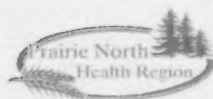




BETTER
TOGETHER



BETTER
TOGETHER



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Message from Andrew Will, CEO

Thank you for taking the time to read our annual report. We are proud to present the great work of our 3sHealth staff, Board, and health system partners toward improving quality and achieving savings for the benefit of patients and families.

The Saskatchewan health system is focused on achieving "four betters": better health, better care, better value, and better teams. 3sHealth works collaboratively with the health regions, Saskatchewan Cancer Agency, and other partners, leveraging a shared services approach to achieve these "betters." The strength that has contributed the most to our success with shared services in Saskatchewan has been how we have learned to work together. Our brand has emerged from this approach to be better together. We are all striving to live this brand each and every day for the benefit of our partners, patients, and families.

Our better together brand was refined in 2015-16, but its origins lie in our mandate as a shared services organization and our organizational values of bold and courageous leadership, integrity and trust, transparency, innovation, and, most importantly, collaboration. We believe strongly that our strength as a system lies in the work we do collectively as partners, and this belief informs everything we

do, including our approach, processes, decisions, and services for clients.

The better together brand was developed as just one of our "hoshins"—or areas of strategic priority—in 2015-16. Other hoshins included creating a provincial shared services transformation fund, becoming ready to implement shared services, introducing a document imaging and workflow application in the Disability Income Plan area, establishing a point of contact service support system for customers, developing an Enhanced Disability Management program, expanding our insurance product and service offerings, and creating a collaborative working environment within 3sHealth. Each of these priority areas improved our services for clients and contributed, both directly and indirectly, to the improvement of the patient and family experience within our healthcare system.

2015-16 was also an exciting year for new service lines and projects, all of which had positive effects on patient care and safety. A new medical transcription system, complete with voice recognition technology, was approved by the health system, and implementation of the project began. The transition to a provincial linen system was completed in 2015-16, and this project promises to save the health system money

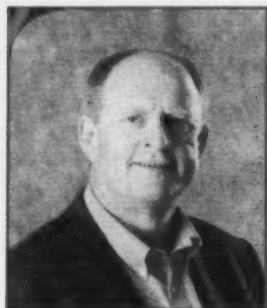
and improve linen quality, contributing to better infection prevention and control. We worked with our health system partners to leverage provincial procurement to achieve savings and increase product quality, all for the benefit of patients. In addition, we worked closely with Regina Qu'Appelle Health Region to introduce new Smart pumps that correctly administer medications and help prevent dosing errors, thereby greatly improving patient safety. While all of these new products and services were introduced, 3sHealth continued to administer its benefits and disability plans and payroll services, as well as work on initiatives that will see implementation in 2016-17.

Together with the health regions and cancer agency, 3sHealth implemented improvement initiatives in 2015-16 that saved the healthcare system \$11.2 million, surpassing the organization's annual target of \$10 million in new savings. Much of these savings were achieved through expanded provincial contract savings, purchasing rebates, and savings from the new provincial healthcare linen service. This brings the shared services cumulative savings to approximately \$191 million since 2010.

As we head into the 2016-17 fiscal year, 3sHealth and its partners are well positioned to do more transformational work together. We look forward to a decision on an enterprise resource planning project that will improve business function integrating systems such as payroll, scheduling and timekeeping. In addition, we anticipate a further roll-out of the new transcription service, a financing strategy for supply chain, and re-engagement with partners on the laboratory services and medical imaging business cases. More than anything, we are excited to work together with our partners to support the health system's priorities.

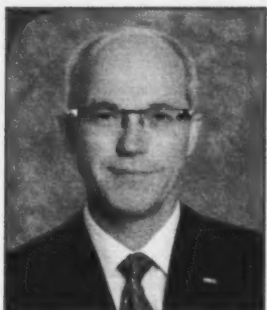
To every member of the 3sHealth family, as well as all our partners across the health system, I extend my thanks for your hard work, dedication, and desire to improve healthcare for patients and their families. Every day, in the collaborative work you do, you demonstrate that we are indeed better together.

3sHealth Board of Directors



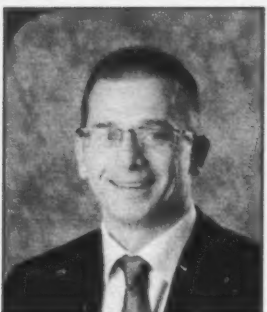
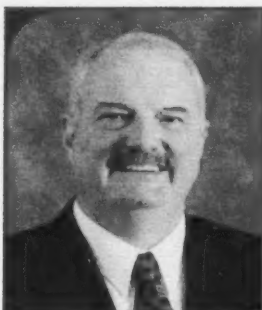
Brian Barber
Chair, 3sHealth Board

Rennie Harper
Vice-Chair
Chair, Governance and
Business Development
Committee



Andrew Cartmell

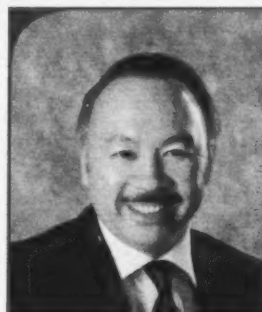
Donald Code



Kyle Jeworski

Karen Knelsen

Grant Kook



Twyla Meredith

Arnie Shaw
Chair, Audit, Finance
and Risk Committee





Better Together

At 3s|health, we believe that one of the provincial health system's keys to success lies in building strong partnerships. Collaboration enables us to be innovative, build trust, be transparent, and lead transformational change in the area of shared services.

Throughout 2015-16, our collaborative approach was visible in the way we approached new and existing services. We took care to hold stakeholder consultations and include representatives from across the health system on our project advisory committees. As a result, we were able to recommend decisions and implement changes that meet the needs of a variety of stakeholders from all over the province. Even at the decision-making level, we continued to leverage partnerships to make strong and progressive decisions, drawing upon groups such as the Shared Services Oversight Committee, a subcommittee of

the Council of CEOs, to guide and drive our focus on continuous improvement in healthcare.

As a result of our focus on "thinking and acting as one" with the rest of the health system, our better together brand grew to inform not only our business operations, but also our communications with internal, stakeholder, traditional media, and social media audiences. We undertook to develop a corporate social responsibility strategy that, in the coming years, will help us to build more relationships within the health sector and create a stronger internal culture of collaboration. By continuing to weave our better together brand into everything we do, we will continue to ensure the success of our provincial healthcare system, improve the quality of shared services, and act responsibly toward our stakeholders and partners.



A local physician tests new voice recognition transcription technology.

Transcription

In June 2015, senior healthcare leaders unanimously endorsed a plan to transform the province's transcription service. A team of transcription managers and other service line personnel came together in early July to plan the transformation of the service through the deployment of new voice recognition technologies and standardized work types and processes.

Each health region formed local transition teams to help shepherd its staff and leadership through the change to a new and improved transcription service. Each transition team is composed of numerous individuals from both clinical and non-clinical areas of the organization. Working together with 3st health, these teams will be instrumental to ensuring a smooth and successful transformation of the service.

Throughout the fall, the project team visited each health region to determine its readiness for the transcription change. It was also a great opportunity to engage and interact with frontline staff to gain a better sense of how dictation and transcription work is performed today. This foundational knowledge will aid the transformation efforts going forward.

Lorne Shiplack, Change Management Specialist with 3st health, reflected on the success of the site visits, noting that "we were able to really connect with our

regional partners in a meaningful way. By working together, we deepen our understanding and advance our knowledge of how to introduce system enhancements that will benefit both patients and families."

Also in the fall, 3st health undertook a competitive procurement process to source new provincial technologies for acute care and medical lab services dictation and transcription work. Through a collaborative, interactive process, a cross-functional team of clinical and non-clinical evaluators from across the system came together to carefully vet the submissions from prospective vendors and were successful in selecting a preferred provider, M*Modal. By working together, the team successfully negotiated a contract with M*Modal in January 2016.

A provincial team comprising Sun Country, eHealth and 3st health representatives worked with M*Modal to successfully implement new voice recognition technology in Weyburn General Hospital. Physicians at the hospital are now using the technology to create electronic audio files of their dictations, and transcriptionists use those files to create transcribed medical records of patient care events. Every time physicians dictate, the technology "learns" their speech patterns and the accuracy of dictations improves.

The new technology allows for timelier, more accurate information on patients' charts, which translates into better quality care and improved patient safety. Dr. Joy Dobson, physician consultant with 3st health, explains that "doctors can now spend more time with patients and less time writing out notes. It's about having the right information available when needed." Additional sites in Sun Country and in other health regions will come on to the new service beginning in spring 2016.

"As this project is becoming real, excitement is building. I believe it will be successful because of the strong commitment of individuals from across the system."

Kendall Arndt, Transcription Project Sponsor and Vice-president of Strategic Information and Corporate Services

The advances in the transformation of transcription services are the result of strong partnerships and teamwork. Reflecting on an improvement event that standardized and streamlined the forms used to record medical dictations after patient tests and procedures – an initiative that saw the number of forms reduced from 171 to eight, a 95 per cent decrease – Cathy Makie, Director of Health Information Management Services in Regina Qu'Appelle Health Region, remarked that the session "was a very good mix of physicians, transcriptionists and managers from all the regions. I think we got to a good place by working together like we did." By further collaborating throughout 2016-17, the transcription team expects to see many more improvements that have a direct effect on patients and their families.



Lori Garchinski, Executive Director, Critical Care and Cardiosciences for RQHR, demonstrates the new Smart pump technology.

Smart Pumps

Through a provincial initiative supported by the health regions, Saskatchewan Cancer Agency, eHealth Saskatchewan and 3sHealth, approximately 3,000 new Hospira Plum 360 Smart IV pumps will be introduced in hospitals, health care facilities and homecare environments across the health system by December 2016.

The Smart IV pumps improve safe administration of intravenous medications, nutrition and fluids through their Drug Error Reduction Software (DERS). The DERs contains a standardized drug library that identifies minimum and maximum safe dosing limits and alerts the user at the bedside if the pump is being programmed outside of those limits. Saskatchewan is the first province in Canada to introduce a standard provincial drug library.

The provincial contract to purchase the pumps uses an innovative funding model that allows the health system to replace old technology with the newest available on the market at no additional up-front cost, which is great news for the health system partners and for taxpayers. The higher supply cost over the life of the 10-year contract still equates to a \$1 million in savings annually.

Regina Qu'Appelle Health Region (RQHR) was the first health region to implement the new Smart pump technology in March. "Hospira had eight people assist in the go live at the Regina General and Pasqua hospitals, and all of those participants commented on how extremely smooth and uneventful the deployment was," said Hicham El Hajj, Manager of Clinical and Implementation Services for Hospira. "This

was achieved by the excellent planning, preparation, and hard work done by the RQHR and 3sHealth implementation teams."

Pharmacists, physicians, and nurses from across Saskatchewan collaborated to create and validate the standardized provincial drug library which will now be maintained and updated.

Keith Dewar, CEO of Regina Qu'Appelle Health Region, notes that the sustainability of the program is an important aspect.

"The collaborative work that was done by the health regions, cancer agency, and 3sHealth will allow us to positively impact patient safety with this new technology without having to make an initial financial outlay for equipment to achieve that," said Dewar.

Employee Benefits

Improved customer service has been an important focus throughout 2015-16. 3st Health Employee Benefits implemented new technology to enhance customer service to the over 42,000 healthcare employee plan members it serves. An expanded hosted contact centre that manages telephone, email, fax, and "Live Chat" inquiries queues requests and processes them in a way that minimizes customer wait times. The benefits services officers aim to answer 95 per cent of all calls in fewer than 30 seconds, and in 2015-16 they met their target in 10 out of 12 months.

In the 2015-16 year, a team including 3st Health employee benefits and information management staff, as well as subject matter experts from SaskTel and eHealth, came together for an improvement event focused on creating a consistent client experience for 3st Health's employee benefits customers. In one week, the team created efficient access to regularly used standard information and resources, including a knowledge library and standard scripts. The scripts included standard greetings and closings for phone, e-mail and Live Chat inquiries. The team also created a service call check list to assist benefits service officers in monitoring the quality and consistent messaging of their calls.

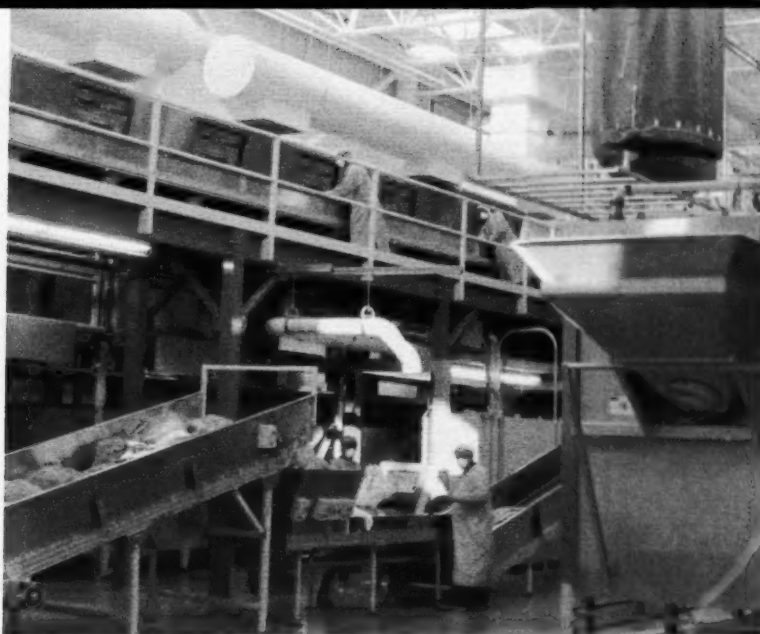
In another collaborative effort, 3st Health worked with healthcare employers, unions, and other interested groups to explore a new approach to disability income support. Stakeholders discussed an Enhanced Disability Management program that would provide them with ongoing support and guidance during the period of disability prior to the beginning of long

term disability. The program would take a proactive approach, providing assistance and allowing for a return to work in a caring, safe, and timely manner. Benefits of the program for the employee include earlier access to adjudication, rehabilitation, support and transition services; early detection of medical issues, allowing access to information and services sooner; continued connection between the employee and the workplace; faster turnaround for long term disability decisions; individualized support and resources; and reduction or elimination of loss of income.

"As consultants and advisors for the 3st Health disability income plans, we prepare a number of valuations and studies each year that assess the financial status of the plans", said David Larsen, a partner at Aon Hewitt. "The ongoing communication and collaboration we have with the Employee Benefit Plans Committee and the Plan Trustees throughout the year is essential in supporting the needs of the members of the 3st Health Disability Income Plans."

Sarah Dedman and other members of the Benefits team are there to assist healthcare employees through a new online Live Chat option.





Linen

The new provincial linen service began serving customers from a new plant in Regina on September 14, 2015, and all health regions transitioned to the new service by February 29, 2016. The transition has required strong communication and collaboration between health system partners, and this hard work has produced many benefits for the system.

The service introduced a number of quality improvements in 2015-16. The new K-Bro laundry facility in Regina was designed to meet and exceed Health Canada infection control guidelines as well as the Healthcare Laundry Accreditation Council's standards for processing reusable textiles for use in healthcare facilities. All surgical linens meet Canadian Standards Association (CSA) standards; these standards for reusable textiles provide the basis for the quality and performance measures. Bar codes on surgical gowns and critical drapes make them traceable should anyone need to identify the source of problems with linens.

Recyclable plastic laundry bags ensure that the new service minimizes plastic waste while simultaneously enhancing infection prevention and control efforts by containing soiled linen and reducing the risk of contamination. In addition, hoists are no longer required to lift soiled linen bags, improving safety within our healthcare facilities.

The K-Bro laundry plant in Regina, as well as the two distribution centres in Saskatoon and Prince Albert, are state-of-the-art facilities equipped with the latest technology. For example, the Regina plant features a filtration system in the wash process that eliminates hair and lint in operating room linens, and fluorescent light table inspections make stains and other defects easier to see and address. Regular audits, as well as a "black mesh bag" program that enables employees to filter out defective linen, help to ensure our healthcare linen supply meets the needs of the system and improves quality and safety for patients.

After working hard to address concerns and improve quality throughout the transition process, the final linen quality assurance audit scores for March and April of 2016 were well above their target of 90 per cent at the Regina, Saskatoon, and Prince Albert facilities. The provincial linen service achieved these improvements while at the same time producing projected savings totalling nearly \$90 million over the next 10 years. All of these strides towards creating a safe and high quality, sustainable linen service required strong partnerships and a commitment to continuous improvement within the health sector.

"We worked in partnership with the 3sHealth transition team to prepare for a seamless transition in our region. The team helped us identify and work to solve issues ahead of time – like implementing night delivery of carts so the fresh linen is available first thing in the morning – and helped us find a solution for temporary storage of soiled linen. The information and support our region received from the 3sHealth team was invaluable."

Terry Field, Regional Director Environmental Services at Prince Albert Parkland Health Region.

Procurement

Over the last five years, our collaborative approach to provincial purchasing for Saskatchewan's health system partners has saved more than \$9.7 million. One example of this is our new approach to delivering supplies and equipment for epidural procedures. Epidural kits have created better care, better teams, and better value by:

- Providing a consistent, high quality and safe experience for patients,
- Improving convenience for anaesthesiologists, and
- Producing cost savings for the health system.

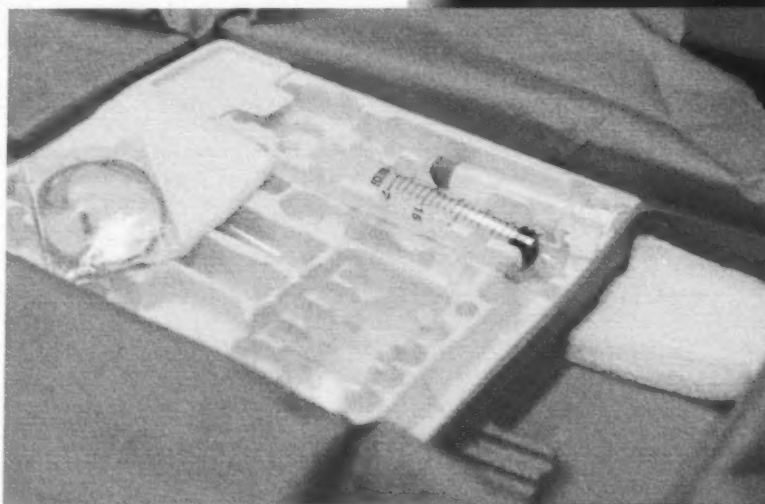
3sI Health's provincial contracting team, in partnership with the health regions and cancer agency, established a provincial contract with Smiths Medical Canada Ltd. for epidural trays, which are kits an anaesthesiologist uses to inject medication into a person's spinal column for pain control. The company was selected by a provincial team of clinical reps through a rigorous and competitive procurement process. The product is high-quality and was selected after careful evaluation and clinical trials. The kits are now being used throughout Saskatchewan.

The product gives clinicians a standard set of processes for using and maintaining the product; and requires less training, which is important for employees who often move between facilities and regions.

When the contracts for the epidural kits were being examined, anaesthesiologists, nurses, and other clinicians identified the waste that was being caused by purchasing standard kits that contained items that were never used. The group was able to develop a vendor Request for Proposal for custom kits that contained only the items they routinely used. Non-sterile samples from several vendors were obtained and sterile samples were trialled in several health regions before deciding on a vendor that met their specifications. In the end, the clinical advisory group working with

3sI Health was able to eliminate significant waste at a reduced cost.

Working closely with partners throughout the health system, 3sI Health takes a similar approach with virtually every contract – bringing together clinicians and subject matter experts from the health regions and cancer agency to form a working group or committee – to develop requests for proposals and review those proposals. Clinicians throughout the province are asked to test products from vendors and evaluate them based on criteria the provincial committee has established.



Epidural Kits eliminate waste and improve efficiency for physicians and their patients.

Dr. Annabelle Mang, Anaesthesiologist,
Regina Qu'Appelle Health Region



BETTER TOGETHER

A team of passionate healthcare professionals provides guidance and oversight for shared services across the province's healthcare system.

The Shared Services Oversight Committee (SSOC), formerly called the Transition Oversight Committee, was established by the Governing Council in 2014. The mandate of the committee is to provide oversight and guidance for the successful implementation and maintenance of shared services to the Council of CEOs.

"Implementation of shared service opportunities requires a collective effort of the entire health system and having a key group of people, representing all health system partners, is important to success," says Scott Livingstone, chairman of the SSOC and President and CEO of the Saskatchewan Cancer Agency.

"This committee brings a group of dedicated individuals together for great discussion and debate on the way forward. We provide advice to 3sHealth and to the Council of CEOs as we introduce shared services like the provincial transcription service and the Smart IV pump implementation."

Previous to the creation of SSOC, many of these discussions were held at the Council of CEOs and Governing Council table where there wasn't always enough time to build the level of understanding needed to make key decisions. An oversight committee can represent health system leaders and turn around recommendations to support more timely decision making on projects.

The SSOC also acts on behalf of the shared service provider for engagement and advice with other health system partners as required.

Scott Livingstone, Chair
Saskatchewan Cancer Agency

Stacey Bosch,
Heartland Regional Health
Authority

Marga Cugnet,
Sun Country Health Region

Reg Padbury,
Saskatchewan Cancer Agency

Nilesh Kavia,
Saskatoon Health Region

Pat Stuart,
Prince Albert Parkland
Health Region

John Knoch,
Sun Country Health Region

Mike Higgins,
Regina Qu'Appelle
Health Region

Lyle Bittman,
Kelsey Trail Health Region

Keith Phelps,
3sHealth

Jackie Hubick,
3sHealth

Andrew Will,
3sHealth

Kendell Arndt,
3sHealth

Mark Anderson,
3sHealth



Management's Responsibility for Financial Statements

The Health Shared Services Saskatchewan (3sHealth) financial statements and all the information in the Annual Report are the responsibility of management and have been approved by the Board of Directors.

Management has prepared the financial statements in accordance with Canadian public sector accounting standards. Management is responsible for the reliability and integrity of the financial statements and other information contained in the Annual Report. The financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

Management maintains a comprehensive system of internal controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an ongoing basis by the internal audit department.

Provincial Auditor Saskatchewan, the external auditor appointed by the Board of Directors, has audited the financial statements. The Auditor's Report outlines the scope of her examination and her opinion. The external auditor has unrestricted access to management and the Board of Directors to discuss results of the audit work and her opinion on the adequacy of internal financial controls and the quality of financial reporting.



Kendell Arndt
Vice-President, Strategic Information
& Corporate Services



Tim Frass
Director, Finance
& Information Technology

Financial Statements of
Health Shared Services
Saskatchewan

March 31, 2016



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Health Shared Services Saskatchewan (3sHealth), which comprise the statement of financial position, as at March 31, 2016, and the statement of operations, statement of changes in net assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of 3sHealth as at March 31, 2016, and the results of its operations changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Judy Ferguson, FCPA, FCA
Provincial Auditor

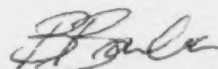
Regina, Saskatchewan
June 30, 2016

HEALTH SHARED SERVICES SASKATCHEWAN
Statement of Financial Position
As at March 31

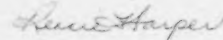
	<u>2016</u>	<u>2015</u> (Note 18)
ASSETS		
CURRENT ASSETS		
Cash (Note 3)	\$ 3,489,598	\$ 3,571,972
Short-term investments (Note 3,4)	4,773,523	10,517,440
Accounts receivable (Note 3,7,9)	5,376,805	2,329,484
Prepaid expenses	852,192	495,965
	<u>14,492,118</u>	<u>16,914,861</u>
CAPITAL ASSETS (Note 5)	893,481	541,798
	<u>15,385,599</u>	<u>17,456,659</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	4,981,123	4,031,078
Unearned revenue (Note 6)	85,168	85,168
Current portion of capital lease obligation (Note 15)	2,648	-
Deferred contributions (Note 7)	5,491,219	9,403,972
	<u>10,560,158</u>	<u>13,520,217</u>
NON-CURRENT LIABILITIES		
Capital lease obligation (Note 15)	9,086	-
	<u>10,569,244</u>	<u>13,520,217</u>
NET ASSETS		
Invested in capital assets	893,481	541,798
Internally restricted (Note 8)	661,043	528,222
Unrestricted	3,261,831	2,866,422
	<u>4,816,355</u>	<u>3,936,442</u>
	<u>\$ 15,385,599</u>	<u>\$ 17,456,659</u>

Contingencies (Note 14)
See accompanying notes

Approved by the 3sHealth Board of Directors:



Brian Barber
Chairman



Rennie Harper
Vice-Chairman

HEALTH SHARED SERVICES SASKATCHEWAN
Statement of Operations
For the year ended March 31

	Budget 2016	2016	2015
	(Note 16)		(Note 18)
REVENUES			
Service Fees	\$ 25,114,461	\$24,634,280	\$ 14,228,561
Ministry of Health	6,197,077	5,610,000	6,000,579
Membership Fees	1,740,000	1,724,875	1,728,659
Other	785,556	2,449,319	2,255,627
Investment income (Note 4)	120,000	99,381	121,017
Gain/(loss) on disposal of capital assets	-	-	(4,390)
TOTAL REVENUE (Schedule 1)	33,957,094	34,517,855	24,330,053
EXPENSES			
Provincial Linen Services	10,529,579	10,243,892	550,885
Employee Benefits Administration	8,144,247	7,694,943	6,707,221
Provincial Payroll & Staff Scheduling	4,987,677	5,107,471	4,682,829
Provincial Contracting	3,780,564	3,529,600	3,054,340
Shared Services Business Development & Implementation	3,587,543	4,960,074	5,172,493
Corporate Services (Note 11)	2,927,484	2,101,962	3,477,345
TOTAL EXPENSES (Schedule 2)	33,957,094	33,637,942	23,645,113
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ 879,913	\$ 684,940

See accompanying notes

HEALTH SHARED SERVICES SASKATCHEWAN
Statement of Changes in Net Assets
For the year ended March 31

	2016				2015
	Invested in capital assets	Internally restricted (Note 8)	Unrestricted	Total	Total
Net assets, beginning of year	\$ 541,798	\$ 528,222	\$ 2,866,422	\$ 3,936,442	\$ 3,251,502
Excess / (deficiency) of revenue over expenses	(270,627)	-	1,150,540	879,913	684,940
Transfer between funds for:					
Internal restrictions (Note 8)	-	500,000	(500,000)	-	-
Purchase of capital assets	646,524	(367,179)	(279,345)	-	-
Disposal of capital assets	(24,214)	-	24,214	-	-
Net assets, end of year	\$ 893,481	\$ 661,043	\$ 3,261,831	\$ 4,816,355	\$ 3,936,442

See accompanying notes

HEALTH SHARED SERVICES SASKATCHEWAN
Statement of Cash Flows
For the year ended March 31

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 879,913	\$ 684,940
Items not involving cash:		
Amortization	270,627	213,176
(Gain)/Loss on disposal of equipment	24,214	55,175
Change in non-cash working capital items:		
Accounts receivable	(3,047,321)	1,250,495
Prepaid expenses	(356,227)	(118,096)
Accounts payable and accrued liabilities	950,045	(318,993)
Unearned revenue	-	(84,029)
Deferred contributions	(3,912,753)	3,198,184
Cash used in operating activities	(5,191,502)	4,880,852
CAPITAL AND FINANCING ACTIVITIES		
Proceeds from disposal of capital assets	-	4,595
Purchase of capital assets	(646,524)	(146,407)
Proceeds from capital lease obligation	14,210	-
Repayment of capital lease obligation	(2,475)	-
Cash used in capital activities	(634,789)	(141,812)
INVESTING ACTIVITIES		
Purchase of investments	(34,916,326)	(33,847,888)
Disposal of investments	40,660,243	29,262,898
Cash provided by investing activities	5,743,917	(4,584,990)
Increase in cash for the year	(82,374)	154,050
Cash, beginning of year	3,571,972	3,417,922
Cash, end of year	\$ 3,489,598	\$ 3,571,972

See accompanying notes

HEALTH SHARED SERVICES SASKATCHEWAN
Notes to the Financial Statements
March 31, 2016

1. NATURE OF OPERATIONS

The Saskatchewan Health-Care Association (SHCA) was incorporated pursuant to an Act to Incorporate SHCA on January 28, 1976. On April 17, 2012, the SHCA adopted the operating name of Health Shared Services Saskatchewan (3sHealth).

The purpose of 3sHealth is to provide province-wide shared services to support a high performing, sustainable, patient and family centred health system in Saskatchewan. 3sHealth also provides administrative services to the employee benefit plans (Note 9).

3sHealth is governed by a nine member board of directors who are appointed by the health system's Governing Council. The Governing Council consists of representatives from the Regional Health Authorities, the Saskatchewan Cancer Agency and affiliated members.

3sHealth is a not-for-profit organization, is not subject to income taxes, and is a registered charity under the *Income Tax Act of Canada*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting (PSA) standards, issued by the Public Sector Accounting Board published by the Chartered Professional Accountants of Canada (CPA Canada). 3sHealth has adopted the standards for government not-for-profit organizations, set forth at PSA Handbook section PS 4200 to PS 4270. Following are the significant accounting policies:

a) Revenue recognition

3sHealth follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Membership fees are recognized as revenue in the year to which the fees relate. Any membership fees received in advance are deferred to the following fiscal year.

b) Capital assets

Capital assets are recorded at cost. Normal maintenance and repairs are expensed as incurred. Capital assets with a life exceeding one year are amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Term of lease
Furniture and equipment	4 – 10 years
Computer equipment	2 years

Assets acquired under capital leases are amortized over the term of the lease.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Retirement benefits

Eligible 3sHealth employees participate in the Saskatchewan Healthcare Employees' Pension Plan (SHEPP), a multi-employer defined benefit pension plan. 3sHealth's financial obligation as it relates to SHEPP is limited to making the required monthly contributions currently set at 112% of the amount contributed by 3sHealth employees. Pension expense is included in salaries and related benefits in Schedule 2.

d) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires that estimates and assumptions are made which affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Changes in estimates and assumptions will occur based on the passage of time and occurrence of certain future events. The changes will be reported in earnings in the period in which they become known. Actual results could differ from those estimations.

e) Financial instruments

3sHealth has classified its financial instruments into one of the following categories: fair value or cost or amortized cost.

All financial instruments are measured at fair value upon initial recognition. The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's length transaction between knowledgeable and willing parties under no obligation to act.

The following financial instruments are subsequently measured at cost or amortized cost:

- accounts receivable;
- short-term investments; and
- accounts payable and accrued liabilities.

As at March 31, 2016, 3sHealth does not have any material outstanding contracts or financial instruments with embedded derivatives.

All financial assets are assessed for impairment on an annual basis. When a decline in value is determined to be other than temporary, a loss is reported in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Investment income

Income earned on investments held for certain deferred contributions is added to deferred contributions when required by external restrictions. All other earned investment income is recorded as income on the Statement of Operations.

g) Allocation of expenses

3sHealth incurs number of general support expenses related to the administration of the organization. These support costs (Note 11) are allocated to each business function and service line to determine the cost of delivering services.

The corporate overhead allocation includes costs from departments such as administration, finance, internal audit, information services, etc. They included building lease and operating costs, salaries, postage, courier, telephone, and printing costs. The method of distributing corporate overhead costs is based on the percentage of budgeted expense and is applied each year.

Schedule 2 discloses the breakdown of 3sHealth's expenditures by type of expense while Note 11 provides details of the allocated expenses.

h) Foreign currencies

Foreign currency transactions are translated into Canadian dollars using the transaction date exchange rate. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect exchange rates at the balance sheet date. Exchange gains or losses arising on the translation of monetary assets and liabilities or sale of investments are included in the statement of operations in the year incurred.

3. FINANCIAL INSTRUMENTS

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing, and certainty of future cash flows. Significant terms and conditions for the other financial instruments are disclosed separately in these financial statements.

3. FINANCIAL INSTRUMENTS (continued)

b) Financial risk management

3sHealth has exposure to the following risk from its use of financial instruments: credit risk, market risk and liquidity risk.

- *Credit risk*

3sHealth is exposed to credit risk from the potential non-payment of accounts receivable. The majority of 3sHealth's receivables are from regional health authorities, the Ministry of Health – General Revenue Fund, or other Saskatchewan Crown agencies. 3sHealth is also exposed to credit risk from cash and short-term investments.

The carrying amount of financial assets represents the maximum credit exposure as follows:

	2016	2015
Cash	\$ 3,489,598	\$ 3,571,972
Short-term investments	4,773,523	10,517,440
Accounts receivable	5,376,805	2,329,484
	<u>\$13,639,926</u>	<u>\$16,418,896</u>

3sHealth manages its credit risk surrounding cash and short-term investments by dealing solely with reputable banks and financial institutions, and utilizing an investment policy to guide investment decisions. 3sHealth invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements.

- *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, will affect 3sHealth's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

3. FINANCIAL INSTRUMENTS (continued)

- *Market risk (continued)*

- i. *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

3sHealth is exposed to minimal interest rate risk on its cash and short-term investments.

- ii. *Foreign currency risk*

3sHealth operates within Canada, but in the normal course of operations is party to transactions denominated in foreign currencies. Foreign exchange risk arises from transactions denominated in a currency other than the Canadian dollar, which is the functional currency of 3sHealth. 3sHealth believes that it is not subject to significant foreign exchange risk from its financial instruments.

- *Liquidity risk*

Liquidity risk is the risk that 3sHealth will not be able to meet all cash outflow obligations as they come due. The following policies and procedures are in place to mitigate this risk:

- 3sHealth maintains sufficient cash and short-term investments to discharge future obligations as they come due; and
- Membership fee structure is reviewed annually and is approved by the Governing Council. Membership fees are used as base operational funding for the upcoming year.

The estimated contractual maturities of 3sHealth's financial liabilities are:

- up to two months for accounts payable; and
- one to twelve months for unearned revenues.

At March 31, 2016, 3sHealth has a cash balance of \$3,489,598 (2015 - \$3,571,972).

- c) *Fair value*

The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term nature:

- cash and short-term investments;
- accounts receivable; and
- accounts payable and accrued liabilities.

HEALTH SHARED SERVICES SASKATCHEWAN
Notes to the Financial Statements
March 31, 2016

4. SHORT TERM INVESTMENTS

Investment Type	Credit Rating	2016		2015	
		Cost	Market Yield (%)	Cost	Market Yield (%)
Short term funds	R1 High to R1 Mid	\$4,773,523	0.60 – 0.84	\$10,517,440	0.96 – 1.21
		2016		2015	
Total investment income earned in the year		\$ 109,714		\$ 130,692	
Less: amount allocated to deferred contribution accounts (Note 7)		(10,333)		(9,675)	
Total investment income recognized as revenue		\$ 99,381		\$ 121,017	

3sHealth invests its excess cash in a fund that invests in high quality money market securities that mature in one year or less. The securities are primarily denominated in Canadian dollars but may be issued by Canadian or foreign entities. The net asset value of the units of the fund is calculated daily. At March 31, 2016, there is no unrealized gain/loss on the value of this investment as the unit cost value equals the unit market value (2015 - \$nil).

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	
			2016	2015
Leasehold improvements	\$ 524,229	\$ 332,083	\$ 192,146	\$ 38,516
Furniture and equipment	2,126,830	1,761,844	364,986	367,631
Computer equipment	2,088,996	1,752,647	336,349	10,160
Work in progress – software development	-	-	-	125,491
	\$ 4,740,055	\$ 3,846,574	\$ 893,481	\$ 541,798

For the year ended March 31, 2016 total amortization of \$270,627 (2015 – \$213,176) is included in Schedule 2 and the Statement of Operations as Corporate Services expenses.

6. UNEARNED REVENUE

	Balance, beginning of year	Recognized during the year	Amount received/receivable	Investment revenue restricted	Transfers	Balance, end of year
Membership revenue	\$ -	\$ (1,724,875)	\$ 1,724,875	\$ -	\$ -	\$ -
NISS membership revenue	-	(183,892)	183,892	-	-	-
Other revenue	85,168	-	-	-	-	85,168
Total	\$ 85,168	\$ (1,908,767)	\$ 1,908,767	\$ -	\$ -	\$ 85,168

HEALTH SHARED SERVICES SASKATCHEWAN

Notes to the Financial Statements

March 31, 2016

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent contributions received specific to programs' expenditures to be incurred in future periods.

	Balance, beginning of year	Recognized during the year	Amount received/ receivable	Investment revenue restricted	Transfers	Balance, end of year
Services:						
Provincial Linen	\$ 2,245,795	\$ (2,085,638)	\$ -	\$ -	\$ -	\$ 160,157
Employee Benefits Administration (Note 9,17)	1,779,607	(445,757)	590,537	9,262	-	1,933,649
Provincial Payroll and Staff Scheduling	513,366	(506,067)	364,012	-	-	371,311
Ministry of Health	-	(500,000)	-	-	500,000	-
Other:						
MDS Software	882,303	(90,582)	-	-	-	791,721
Medical Records Storage	500,000	-	-	-	(500,000)	-
Hospira - Smart Pump	-	(522,637)	522,637	-	10,637	10,637
Prior Year Health Shared Services	621,127	-	-	-	-	621,127
Other programs	62,842	(1,685)	-	-	-	61,157
Transformation Fund	-	(290,838)	148,123	-	-	⁽¹⁾ (142,715)
Enterprise Resource Planning	572,133	(433,832)	-	-	-	138,301
Capital Assets	-	(19,582)	195,808	-	-	176,226
Total Other	2,638,405	(1,359,156)	866,568	-	(489,363)	1,656,454
Total Deferred Contributions for Operations	7,177,173	(4,896,618)	1,821,117	9,262	10,637	4,121,571
Custodial Services: (Note 10)						
CUPE Rehabilitation	149,885	(7,131)	-	1,071	-	143,825
Provincial Employee and Family Assistance Program	49,130	(1,154,021)	1,146,199	-	-	41,308
Hospira - Smart Pump	2,000,000	(2,500,000)	500,000	-	-	-
Purchasing Rebates	-	(3,114,540)	4,121,845	-	-	1,007,305
Natural Gas Purchasing Program	27,784	(60,372)	67,083	-	-	34,495
Total Custodial Deferred Contributions	2,226,799	(6,836,064)	5,835,127	1,071	-	1,226,933
Net Deferred Contributions	\$ 9,403,972	\$ (11,732,682)	\$ 7,656,244	\$ 10,333	\$ 10,637	\$ 5,348,504
Amount reported in accounts receivable						⁽¹⁾ 142,715
Total Deferred Contributions						\$ 5,491,219

7. DEFERRED CONTRIBUTIONS (continued)

Details of the significant deferred contributions included in the table are as follows:

a) Provincial Linen

The Provincial Linen deferred contribution represents amounts received from the Ministry of Health to support the transition of the linen services to the new provincial linen services. The revenue is recognized when the costs related to the transition to the new provincial service are incurred.

b) Employee Benefits Administration

The Employee Benefits Administration includes the Health/Flex Spending deferred contributions in the amount of \$1,707,200 (2015 - \$1,610,262), which represent amounts received from participating employers on behalf of out-of-scope employees. These contributions can be used to reimburse the participating employee and their spouse/dependents for any out-of-pocket health and dental expenses that are not covered by the 3sHealth Out-of-Scope Extended Health/Enhanced Dental Plan but meet the requirements of a medical expense in accordance with the Income Tax Act.

The Employee Benefit Administration also includes the 3sHealth Retiree Benefits Plan (Plan) in the amount of \$226,449 (2015 - \$169,344). The funds held for the Plan are received for administrative expenses that are incurred by 3sHealth on the Plan's behalf. The Plan is an insured health, dental and travel benefit plan for retirees of 3sHealth or its member organizations.

c) Provincial Payroll and Staff Scheduling

The Provincial Payroll and Staff Scheduling deferred contributions represent enhancement fees charged to employers who subscribe to these 3sHealth services. The enhancement fees are specifically charged and deferred for enhancements and acquisition/development of improvements to the payroll and staff scheduling systems. The use of these enhancement fees is governed by the HRMS Steering Committee which is made up of representatives of the health regions.

d) Minimum Data Set (MDS) Software

The MDS Software deferred contributions represent amounts received from the Ministry of Health for the ongoing support and implementation of the MDS for long term care and home care on behalf of all regional health authority boards. In addition to purchasing system support and training, the amounts are used to purchase licenses for MDS software on behalf of regional health authority boards and, in conjunction with the Ministry of Health, works to develop new MDS initiatives as required by regional health authorities.

7. DEFERRED CONTRIBUTIONS (continued)

e) Medical Records Storage

The Medical Records Storage deferred contribution represents amounts received previously from the Ministry of Health. During the year, the Ministry approved the transfer of this deferred contribution to replace a portion of the Ministry's annual service agreement fees to 3sHealth for core operating purposes.

f) Hospira - Smart Pump

3sHealth and Hospira are working on the implementation of the Hospira Plum A+ smart pump and consumables to improve end user compliance through software enhancements that offer keypad drug search functionality, alarm settings with automatic distal occlusion resets, and drug infusion definitions and clinical use indications.

g) Prior Year Health Shared Services

The Prior Year Health Shared Services deferred contribution represents amounts received from the Ministry of Health to support future initiatives for shared services within the Saskatchewan health care system.

h) Transformation Fund

The Transformation Fund deferred contribution represents a provincial fund to support the strategic shared service priorities of the regional health authorities and Saskatchewan Cancer Agency. It enables the Saskatchewan health care system to pursue new value-added initiatives that have an identified return on investment to improve quality and generate savings within the system. The current initiative includes the implementation of provincial Transcription Services. The fund is governed by the Council of CEO's with recommendations from the Shared Services Oversight Committee (SSOC), and the Financial Management Committee (FMC).

i) Enterprise Resource Planning

3sHealth is coordinating the efforts to implement a new and robust technological solution that will replace the existing payroll, benefits and staff scheduling solution and will also include integrated finance, supply chain and advanced analytics for the health sector.

j) Capital Assets

The Capital Assets deferred contribution represents amounts received from the Employee Benefit Plans for the implementation of a document imaging system. The deferred amount is being recognized into income over the same period as the capital asset is being amortized into expenses.

HEALTH SHARED SERVICES SASKATCHEWAN
Notes to the Financial Statements
March 31, 2016

8. INTERNALLY RESTRICTED NET ASSETS

	Balance, beginning of year	Transferred	Recognized during the year	Balance, end of year
Building / Leasehold Improvements	\$ 528,222	\$ -	\$ (367,179)	\$ 161,043
Transcription Services	-	500,000	-	500,000
Total	\$ 528,222	\$ 500,000	\$ (367,179)	\$ 661,043

During the year, \$367,179 of previously restricted net assets was spent with Board approval on office leasehold improvements and furniture and equipment to implement 3sHealth's collaborative workspace.

During the year, the Board has internally restricted \$500,000 of the 2015-2016 operating surplus for the implementation of Transcription Services, a new service initiative which commenced during the year to support shared services within the Saskatchewan health care system.

These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

9. EMPLOYEE BENEFIT PLANS TRANSACTIONS AND ASSETS UNDER ADMINISTRATION

Included in these financial statements are expenses of \$7,503,684 (2015 – \$6,352,821) relating to the operation of the following employee benefit plans (EBP's). Accounts receivable includes \$655,340 (2015 – \$1,259,442) due from EBP's while accounts payable includes \$237,351 (2015 – \$10,829) related to expenses for the EBP's.

The fair value of total assets and surplus net assets of the EBP's under 3sHealth's administration at December 31 are:

	2015		2014	
	Fair Value	Surplus	Fair Value	Surplus
Disability Income Plan – CUPE	\$ 71,724,405	\$ 46,350,512	\$ 63,280,307	\$ 35,520,077
Disability Income Plan – General	52,715,352	20,100,844	50,119,655	20,683,951
Disability Income Plan – SEIU West	53,006,777	32,500,190	49,480,766	24,369,813
Disability Income Plan – SUN	78,637,718	40,246,655	72,672,710	34,968,986
Core Dental Plan	18,878,803	16,144,142	20,426,531	17,895,364
In-Scope Extended Health / Enhanced Dental Plan	143,114,507	137,547,545	128,210,710	123,730,508
Out-of-Scope Extended Health / Enhanced Dental Plan	11,586,870	11,200,154	10,449,777	10,094,727
Group Life Insurance Plan	51,182,427	23,946,206	46,572,839	20,260,086
	\$480,846,859	\$328,036,248	\$441,213,295	\$287,523,512

HEALTH SHARED SERVICES SASKATCHEWAN
Notes to the Financial Statements
March 31, 2016

10. CUSTODIAL SERVICES

3sHealth acts as an agent for other organizations and manages funding for a number of programs. 3sHealth includes the net excess in other revenue in its Statement of Operations. 3sHealth holds \$1,226,933 (2015- \$2,226,799) in cash to be paid to members relating to custodial services (Note 7).

	Budget 2016	2016	2015
	(Note 16)		(Note 18)
REVENUE			
Joint Health Human Resources Committee	\$ -	\$ -	\$ 4,400
CUPE Rehabilitation	-	7,131	9,821
Provincial Employee and Family Assistance Program	1,054,835	1,154,021	1,040,712
Hospira – Smart Pump	-	2,500,000	-
Purchasing Rebates	-	3,114,540	4,539,427
Natural Gas Purchasing Program	60,000	60,372	65,701
	1,114,835	6,836,064	5,660,061
EXPENSES			
Joint Health Human Resources Committee	-	1,559	5,150
CUPE Rehabilitation	-	7,131	9,821
Provincial Employee and Family Assistance Program	1,054,835	1,154,021	1,040,712
Hospira – Smart Pump	-	2,500,000	-
Purchasing Rebates	-	3,113,789	4,536,421
Natural Gas Purchasing Program	60,000	60,372	65,701
	1,114,835	6,836,872	5,657,805
Net Excess (Deficiency) of Custodial Services Revenue over Expenses	\$ -	\$ (808)	\$ 2,256

HEALTH SHARED SERVICES SASKATCHEWAN
Notes to the Financial Statements
March 31, 2016

11. CORPORATE OVERHEAD ALLOCATED

Corporate overhead allocated to business functions and service lines totalled \$4,852,224 (2015 - \$4,026,312).

	Budget 2016	2016	2015
	(Note 16)		(Note 18)
Employee Benefits Administration	\$ 2,110,203	\$ 2,110,193	\$1,534,931
Provincial Payroll and Staff Scheduling	998,385	998,385	958,828
Provincial Contracting	715,022	715,022	377,825
Shared Services Business Development and Implementation	837,802	837,802	880,221
Corporate Services (Note 9)	190,822	190,822	274,507
Total Corporate Overhead Allocation	\$ 4,852,234	\$ 4,852,224	\$ 4,026,312

12. BOARD EXPENSES

3sHealth Board Members incurred the following travel and per diem expenses for the year ended March 31, 2016. Amounts reimbursed by 3sHealth, which are recorded in Corporate Services in the Statement of Operations, are as follows:

	Board Travel	Per Diems	2016 Total	2015 Total
Barber, Brian	\$ 3,320	\$ 21,855	\$ 25,175	\$ 17,265
Harper, Rennie	5,095	12,650	17,745	22,242
Jeworski, Kyle	244	5,000	5,244	8,130
Knelsen, Karen	2,172	10,582	12,754	17,059
Kook, Grant	554	6,594	7,148	6,794
Meredith, Twyla	798	9,250	10,048	8,188
Rhode, Jim	-	-	-	17,191
Shaw, Arnie	1,211	8,656	9,867	14,279
Cartmell, Andrew	2,394	7,000	9,394	-
Code, Donald	3,064	5,850	8,914	-
Total Board Expenses	\$ 18,852	\$ 87,437	\$ 106,289	\$ 111,148

13. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. 3sHealth is indirectly related to all Saskatchewan Crown agencies such as ministries, corporations, boards, and commissions under the common control of the Government of Saskatchewan. 3sHealth is also indirectly related to non-Crown enterprises that the Government jointly controls or significantly influences.

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at the agreed upon exchange rates charged by those organizations and are settled on normal trade terms.

HEALTH SHARED SERVICES SASKATCHEWAN
Notes to the Financial Statements
March 31, 2016

13. RELATED PARTY TRANSACTIONS (continued)

	2016	2015
		(Note 18)
Revenue		
Regional Health Authorities	\$ 18,537,400	\$ 4,327,302
Ministry of Health	7,722,593	6,653,828
SAHO Inc.	535,804	606,717
eHealth Saskatchewan	379,504	-
Saskatchewan Cancer Agency	312,056	211,206
Saskatchewan Healthcare Employees' Pension Plan	83,088	79,780
Saskatchewan Workers Compensation Board	8,671	-
SaskTel	5,786	-
	<u>\$ 27,584,902</u>	<u>\$ 11,878,833</u>
Expenses		
Regional Health Authorities	\$ 6,890,144	\$ 4,862,881
Saskatchewan Healthcare Employees' Pension Plan	1,741,854	1,622,050
SaskTel	252,010	168,090
Saskatchewan Cancer Agency	180,987	135,477
eHealth Saskatchewan	198,557	180,608
Saskatchewan Workers Compensation Board	9,465	-
Ministry of Central Services	28,899	-
	<u>\$ 9,301,916</u>	<u>\$ 6,969,106</u>
Accounts Receivable		
Regional Health Authorities	\$ 3,352,424	\$ 850,678
Saskatchewan Cancer Agency	159,767	21,429
SAHO Inc.	65,171	20,702
eHealth Saskatchewan	50,925	50,098
Saskatchewan Healthcare Employees' Pension Plan	7,693	271
Ministry of Health	-	195
Saskatchewan Workers Compensation Board	-	809
	<u>\$ 3,635,980</u>	<u>\$ 944,182</u>
Accounts Payable		
Regional Health Authorities	\$ 315,060	\$ 876,079
eHealth Saskatchewan	170,702	-
SaskTel	10,804	27,374
Saskatchewan Cancer Agency	9,449	6,056
Saskatchewan Workers Compensation Board	3,911	-
Ministry of Central Services	1,083	1,714
Saskatchewan Healthcare Employees' Pension Plan	570	114,290
Ministry of Finance	-	18,113
	<u>\$ 511,579</u>	<u>\$ 1,043,626</u>

HEALTH SHARED SERVICES SASKATCHEWAN
Notes to the Financial Statements
March 31, 2016

13. RELATED PARTY TRANSACTIONS (continued)

3sHealth pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all of its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

14. CONTINGENCIES

A former employee of 3sHealth has filed a wrongful dismissal claim against 3sHealth. 3sHealth has accrued \$20,000 in relation to the dismissal but the financial impact is unknown at this time.

3sHealth is named as a defendant in certain lawsuits. Although the outcomes of such lawsuits are not determinable as of the date of these financial statements, in the opinion of management, they will not materially impact 3sHealth's operations, and no provision has been made for them in the accounts.

15. FUTURE COMMITMENTS

a) Office Leases

3sHealth has entered into agreements to lease office space in Regina and Saskatoon. The Saskatoon lease expires in 2016 and the Regina lease expires in 2018. 3sHealth is also responsible for its proportionate share of operating costs of the building and property taxes under these leases. The future minimum lease payments, in each fiscal year, are as follows:

2016/17	\$ 623,391
2017/18	662,037
2018/19	233,737

b) Capital Lease Obligation

3sHealth has financed equipment by entering into a capital leasing agreement. Capital lease repayments are due as follows:

Year ending March 31,	
2017	\$ 3,302
2018	3,302
2019	3,302
2020	3,302
2021	542
Total minimum lease payments	13,750
Less amount representing interest (at rate of 1.47% quarterly)	(2,016)
Present value of net minimum capital lease payments	11,734
Current portion of obligation under capital lease	2,648
	\$ 9,086

15. FUTURE COMMITMENTS (continued)

Interest of \$384 (2015 - \$nil) relating to capital lease obligations has been included in bank charges and interest. The total amount of equipment under the capital lease is \$14,210, (2015 - \$nil) with related accumulated amortization of \$1,421 (2015 - \$nil).

16. BUDGET

The 3sHealth board approved the 2015-16 budget on May 6, 2015.

17. SUBSEQUENT EVENTS

Subsequent to year-end, the deferred contributions included in Employee Benefits Administration related to the 3sHealth Health/Flex Spending programs will be moved into a separate Employee Benefit Plan Assets under Administration and accounted for separately, commencing April 1, 2016. These funds will be administered, accounted for, and disclosed with the other Employee Benefit Plans Transactions and Assets under Administration, as disclosed in Note 9.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

HEALTH SHARED SERVICES SASKATCHEWAN
Schedule 1 – Revenue by Source
For the year ended March 31

REVENUE	Budget 2016 (Note 16)	2016		Total	2015 Total (Note 18)
		Operating Revenue	Deferred Revenue		
Services:					
- Provincial Linen Services	\$ 10,297,618	\$ 7,926,856	\$ 2,085,638	\$ 10,012,494	\$ 550,885
- Employee Benefits Administration	8,223,477	7,328,489	445,757	7,774,246	6,830,978
- Provincial Payroll and Staff Scheduling	4,987,877	4,795,923	506,067	5,301,990	5,237,430
- Provincial Contracting	1,205,493	1,201,561	-	1,201,561	1,200,118
- Client Administration Fees	399,996	343,989	-	343,989	409,150
Ministry of Health	6,197,077	5,110,000	500,000	5,610,000	6,000,579
Membership fees	1,740,000	1,724,875	-	1,724,875	1,728,659
Other	785,556	1,090,163	1,359,156	2,449,319	2,255,627
Investment income	120,000	99,381	-	99,381	121,017
Gain/(loss) on disposal of capital assets	-	-	-	-	(4,390)
TOTAL REVENUE	\$ 33,957,094	\$ 29,621,237	\$ 4,896,618	\$ 34,517,855	\$ 24,330,053

See accompanying notes

HEALTH SHARED SERVICES SASKATCHEWAN
Schedule 2 – Expenses By Object
For the year ended March 31

	Budget 2016 (Note 16)	2016	2015 (Note 18)
Administrative Service Contracts - Employee Benefit Plans	\$ 608,748	\$ 810,308	\$ 885,870
Amortization	240,000	270,627	213,176
Audio-visual program	-	1,165	-
Bad debt expense	-	(5,656)	24,763
Bank charges	7,339	6,140	4,755
Building expenses	828,950	746,744	798,337
Equipment and computers	2,815,089	1,952,413	1,525,444
Fund managers - Employee Benefit Plans	413,196	663,459	452,830
Insurance	61,738	30,856	35,475
Legal	408,072	547,820	355,669
Linen Services	9,950,087	9,630,037	-
Membership fees	86,819	75,274	79,683
Office expenses	277,629	299,300	541,593
Postage and courier	143,400	178,429	133,602
Printing	59,332	42,242	28,034
Professional services	299,532	1,109,561	2,361,658
Professional services - Employee Benefit Plans	3,891,582	3,228,282	2,321,145
Salaries and related benefits	12,874,137	12,369,327	12,061,538
Seminars	35,596	27,163	82,383
Subscriptions and publications	8,170	13,296	18,786
System support and development	-	1,076,497	948,647
Telephone	180,854	137,998	173,991
Strategic Information Systems projects	467,074	299,209	409,430
Training and travel	299,750	127,451	188,304
TOTAL EXPENSES	\$ 33,957,094	\$ 33,637,942	\$ 23,645,113

See accompanying notes

3sHealth

Annual Report – Payee Disclosure

Fiscal year: 2015-16

Salaries and Benefits

Listed are payees who received \$50,000 or more for salaries, wages, honorariums, car allowances, performance pay, lump sum payments, etc.

Susan Antosh is paid by 3stHealth and 3stHealth is reimbursed by eHealth Services.

Salaries

Altwasser - Mang, Kendra	\$77,698.27	Giesinger, Glenn	\$68,443.66	Peters, Stanley	\$86,209.74
Ambroz, Dave	\$78,251.55	Godwin, Donna	\$68,994.02	Phelps, Keith	\$169,757.32
Anderson, Cp (Bud)	\$138,184.92	Goodtrack, Rhonda	\$83,505.86	Pockrandt, Cheryl	\$57,434.21
Anderson, Lisa	\$52,816.98	Grandel, Christoph	\$52,306.58	Ramirez, Sabrina	\$75,066.60
Anderson, Mark	\$243,910.95	Green, Jessica	\$76,859.37	Reid, Brenda	\$69,958.28
Antosh, Susan	\$239,858.38	Harden, Michelle	\$75,966.00	Reimer, Amanda	\$70,786.98
Arndt, Kendall	\$228,580.21	Harrison, Natasha	\$70,049.00	Richardson, Dana	\$68,939.74
Ashdown, Leanne	\$163,828.01	Hiebert, Bernice	\$57,915.89	Roche, Hazel	\$85,403.11
Asmundson, Kimberley	\$66,572.78	Hilton, Audrey	\$122,031.01	Rockabar, Clinton	\$70,853.15
Bagnall, Lane	\$70,042.10	Hubick, Jacquelin	\$183,950.32	Rodgers, Janice	\$69,755.15
Baillie, Sandra	\$90,041.12	Jaworski, Joe	\$93,043.63	Rorquist, Jacquelin	\$92,859.20
Barabash, Deborah	\$85,405.26	Joice, Robert	\$81,210.23	Ryan, Timothy	\$77,641.79
Becker, Jennifer	\$55,319.53	Kirsch, Ashley	\$50,612.86	Sakatch, Janine	\$150,431.50
Binkley, Ashley	\$52,061.27	Klassen, Valerie	\$157,473.18	Sentes, Troy	\$52,306.19
Boudreau-Exner, Suzanne	\$148,217.16	Koch, Paula	\$86,110.75	Shabatura, Wendy	\$76,926.32
Buckshaw, Shiona	\$79,473.87	Kohl, Anita	\$57,511.63	Shearer Kleefeld, Alana	\$109,147.50
Butterfield, Rhonda	\$93,042.05	Kozoriz, Anna	\$71,971.14	Shiplack, Lorne	\$79,553.52
Canning, Kimberley	\$71,184.50	Lambsdown, Dorothy	\$63,621.25	Stewart, Mark	\$63,044.91
Carlton-Becker, Laura	\$54,488.43	Li, Ke	\$68,935.69	Switzer, Shelda	\$98,273.67
Carlson, Bonnie	\$65,852.47	Litzenberger, Lori-Ann	\$77,640.75	Taylor, Dana	\$57,509.70
Carroll, Rebecca	\$77,640.80	Macdonald, Jaclyn	\$57,837.41	Thompson, Cheryl	\$85,849.20
Catchuk, Vicky	\$53,222.00	Malach, Luke	\$86,211.25	Thompson, Sandra	\$52,845.52
Chekay, Ryan	\$77,321.30	Manz, Dallas	\$77,223.85	Thompson, Kelly	\$94,271.30
Collum, Joann	\$144,338.78	Mccaig, Barry	\$108,906.04	Torjusen, Jocelyn	\$83,140.99
Compton, Sandy	\$53,050.76	Milanovski, Mario	\$76,718.57	Trew, Taren	\$55,043.65
Corbin, Mark	\$60,843.77	Moens, Amanda	\$51,415.73	Truong, Mary	\$51,473.27
Crawford, James	\$142,439.93	Montanini, Linda	\$52,565.21	Vaisman, Jennifer	\$51,538.18
Currie, Marjorie	\$80,220.33	Moore, Kerrie	\$71,153.72	Walton, Laurie	\$56,983.75
Daskalchuk, Janine	\$120,295.19	Morse, Shawn	\$72,958.06	Warawa, Ted	\$150,063.69
Daver, Rosemary	\$65,622.54	Mrazek-Fanning, Fran	\$76,179.62	Wasmuth, Kerry	\$109,304.64
Dedman, Sarah	\$69,666.99	Munro, James	\$67,685.51	Will, Amanda	\$97,485.87
Deringer, Blain	\$77,058.53	Murray, Larisa	\$72,487.77	Will, Andrew	\$393,526.39
Dvernichuk, Rhonda	\$84,748.51	Nyland, Shelley	\$64,434.02	Wowchuk, Christine	\$82,145.86
Edwards, Jacquelin	\$95,004.04	Ong, Mooi	\$68,802.00	Wright, Andrea	\$96,214.65
Evans, Lynette	\$57,631.92	Ortman, Matthew	\$50,174.43	Xiong, Xin	\$71,205.33
Fisher, Hlyse	\$62,546.86	Palanimanickam, Gopinath	\$61,193.00	Yelle, Cynthia	\$77,420.07
Forrester, Gillian	\$124,766.96	Paraiso, Maria	\$52,712.13	Zimmerman, Shauna	\$83,562.36
Gamracy, Tanya	\$69,254.61	Paxman, Sheri	\$75,112.84		

Goods and Services

Listed are payees who received \$50,000 or more for the provision of goods and services, including travel, office supplies, communications, contracts, and equipment.

2002 Victoria Avenue Holdings	898,782	Lexmark Canada	162,937
AON Hewitt	270,535	M*Modal	180,742
Bridges Health	98,506	Mawer Investment Management	129,215
Canada Post	96,030	Mercer Canada	198,610
CancerCare Manitoba	93,438	Miller Thompson	64,445
cfactor Works	1,950,903	MacPherson Leslie & Tyerman	471,159
CGI Information Systems	133,518	Morneau Shepell	558,139
Cypress Health Region	166,725	North Sask Laundry	825,665
Deloitte	834,903	O-R-G Canada	64,388
Dubois, Charles L.	167,170	Prince Albert Parkland Health Region	304,185
eHealth Saskatchewan	172,712	Phillips, Hager & North	243,720
Five Hills Health Region	219,502	Prairie North Health Region	366,200
France Financial Consulting	51,660	Regina Qu'Appelle Health Region	2,835,244
Franklin Templeton Investments	118,019	RWI Informatics	458,111
Gartner Canada	119,994	Saskatchewan Cancer Agency	180,987
George and Bell Consulting	77,942	Saskatoon Health Region	2,250,300
Global Healthcare Exchange	1,022,004	SaskTel	252,010
Great-West Life Assurance	68,249	SHEPP	1,741,854
HealthPro Procurement Services	52,500	Solvera Solutions	267,322
Heartland Health Region	98,498	Source Office Furniture	135,535
Homewood Health Inc.	515,899	Sun Country Health Region	264,778
ISLOOR Consulting Services	114,583	Sunrise Health Region	403,546
ITM Computer Service	85,426	WBM Office Solutions	151,598
Joy Dobson Medical Profession	78,375		
Kbro Linen	8,330,738		
Kelly Services	77,013		
Kelsey Trail Health Region	254,991		
Kronus Canadian Systems Inc.	501,287		







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